

Claims 1-6, 12 and 13 were rejected under 35 U.S.C. 102(b) as being anticipated by Tracy et al. (US 6,199,753).

Tracy et al. discloses a system for presenting customer desired data on a portable terminal. The system disclosed by Tracy et al. reads tags attached to articles. For example, in column 3, lines 31-37, Tracy et al. describes employing a portable terminal that includes a "machine code reader which can decode encoded indicia on an article." In several of the disclosed embodiments, Tracy et al. utilizes a bar code scanner. As is well-known in the art, bar code scanners read labels attached to articles or products. Tracy et al. also describes using a radio frequency identification tag reader. After reading Tracy et al., one skilled in the art would expect any embodiments that utilize radio frequency identification tag readers to function in a manner substantially similar to the embodiments that utilize bar code scanners. In particular, one skilled in the art would expect a radio frequency identification tag reader to read a tag located on the outside of an article.

In contrast to what is disclosed in Tracy et al., the present invention relates to methods and systems that obtain information from tags "embedded" in products. For example, claim 1 includes the feature of "reading a tag embedded in the product to obtain product identifying information." On page 7, lines 16-18, the application teaches that a tag "is preferably embedded in the product itself as opposed to being attached to a package containing the product so that tag 202 will remain with product 200 throughout the life of product 200." On page 10, lines 2-4, the application indicates that a "tag is 'embedded' when it is attached to the product in a manner that makes it unlikely that the tag will be removed." One of the advantages of embedding a tag in a product is that it allows users to observe the product as the products are being used and to obtain information at that time. As stated on page 9 at lines 19-21 "consumers may make better

purchase decisions when observing a product as it is intended to be utilized instead of observing a product in a package in a store."

The Applicant respectfully submits that Tracy et al. fails to teach or suggest at least "reading a tag embedded in the product." Instead of embedding tags in products to make it unlikely that the tags would be removed, Tracy et al. discloses the use of tags that are attached to products in a conventional manner. Conventionally, tags are attached to products to allow easy removal from the product after the product is purchased. Moreover, the Action fails to even allege that Tracey et al. discloses systems or methods relating to embedded tags. For at least these reasons, the Applicant respectfully submits that claim 1 is allowable over the prior art of record. Claims 2-6 depend from claim 1 and are allowable for least the same reasons as claim 1.

Claim 12 includes the feature of "a receiver that detects radiation reflected by a tag embedded in a product." As stated above, Tracy et al. fails to teach or suggest embedding a tag in a product. Accordingly, the Applicant respectfully submits that claim 12 is in condition for allowance. Claim 13 depends from claim 12 and is allowable for at least the same reasons as claim 12.

Claims 7-10, 11 and 14 were rejected under 35 U.S.C. 103(a) as being unpatentable over Tracy et al. (US 6,199,753) in view of Bezos et al. (US 6,029,141).

Bezos et al. discloses an Internet based customer referral system. The Action relies on Bezos et al. to suggest that it would have been obvious to modify Tracy et al. to link referring customers and referred customers.

Of the rejected claims, claims 7, 11 and 14 are independent claims and all include features relating to embedded tags. As described above, Tracy et al. fails to teach or suggest embedding tags in products. Bezos et al. also fails to teach or suggest embedding tags in

products. As a result, no conceivable combination of Tracy et al. and Bezos et al. teaches or discloses the claimed features relating to embedded tags. Accordingly, the Applicant respectfully submits that claims 7, 11 and 14 are in condition for allowance. Claims 8-10 depend from claim 7 and our allowable for least the same reasons as claim 7.

**CONCLUSION**

The Applicant submits that claims 1-14 are in condition for allowance for at least the reasons recited above. Should the Examiner have any questions, the Examiner is invited to contact the undersigned at the number set forth below.

Respectfully submitted,

BANNER & WITCOFF, LTD.

By: 

Charles L. Miller  
Registration No. 43,805

Timothy C. Meece  
Registration No. 38,553

Ten South Wacker Drive  
Suite 3000  
Chicago, Illinois 60606-7407  
(312) 715-1000

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